

AEW Promote LP Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

Company Registration No. 04963186 (England and Wales)



AEW Promote LP Limited

Company Information

Director	Russell Jewell
Company number	04963186
Registered office	33 Jermyn Street London SW1Y 6DN
Auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Royal Bank of Scotland International Limited 280 Bishopsgate London EC2M 4RB

AEW Promote LP Limited

Contents

	Page
Director's report	3
Director's responsibilities statement	4
Independent auditors' report	5
Profit and Loss Account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

AEW Promote LP Limited

Director's Report

For the year ended 31 December 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities

The company's principal activity is to act as the corporate limited partner in new carry and co-investment funds raised by AEW Europe LLP.

Director

Russell Jewell acts as director who held office during the year and up to the date of signature of the financial statements. Russell Jewell was the sole director who held office during the year and up to the date of signature of the financial statements.

Results

The results for the year are set out on page 9.

COVID-19

The recession that swept across Europe in 2020 as a consequence of the Covid-19 pandemic was less severe than expected but nevertheless resulted in a 6.8% drop in GDP. Germany and the Netherlands outperformed the average, while France, Spain and the UK experienced sharper drops of between -8.5% to -11%. Owing to various ongoing forms of regional or national lockdowns in most countries, the vigour of the recovery expected in 2021 has been revised down to just under 4.5% in the Eurozone and to c 6.5% in the UK.

The real estate market landscape has remained broadly unchanged, with a more challenging occupational office market in certain locations, a very difficult environment, if not outright distress in the retail sector, and a broadly positive outlook for logistics assets.

The director has considered the consequence of COVID-19 and other events and conditions has determined that they do not create a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern.

Auditors

Moore Kingston Smith LLP were reappointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditors

The director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
Russell Jewell

Director

Date: 11 May 2021

AEW Promote LP Limited

Director's Responsibilities Statement

For the year ended 31 December 2020

The director is responsible for preparing the Director's Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AEW Promote LP Limited

Independent Auditors' Report (Continued)

To the Members of AEW Promote LP Limited

Opinion

We have audited the financial statements of AEW Promote LP Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AEW Promote LP Limited

Independent Auditors' Report (Continued)

To the Members of AEW Promote LP Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

AEW Promote LP Limited

Independent Auditors' Report (Continued)

To the Members of AEW Promote LP Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

AEW Promote LP Limited

Independent Auditors' Report (Continued)

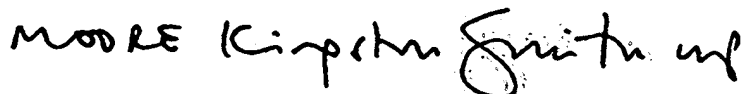
To the Members of AEW Promote LP Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.



Thomas Moore (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

12 May 2021

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

AEW Promote LP Limited

Profit and Loss Account

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	3	39,716	-
Administrative expenses		(33)	(165)
Operating profit/(loss)	4	39,683	(165)
Interest charged on loan		(2,837)	(3,701)
Changes in fair value of financial assets at fair value through profit or loss		(55,196)	35,268
Profit before taxation		(18,350)	31,402
Taxation	5	(6,014)	-
(Loss)/profit for the financial year		(24,364)	31,402
Total comprehensive (loss)/profit for the year		(24,364)	31,402

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AEW Promote LP Limited

Balance Sheet

As at 31 December 2020

	Notes	2020 £	2019 £
Non-current assets			
Financial assets at fair value through profit or loss	6	96,819	213,245
		<u>96,819</u>	<u>213,245</u>
Current assets			
Debtors	7	1,131	1,131
Cash at bank and in hand		3,633	3,566
		<u>4,764</u>	<u>4,697</u>
Creditors: amounts falling due within one year	8	<u>(88,296)</u>	<u>(180,291)</u>
Net current liabilities		<u>(83,532)</u>	<u>(175,594)</u>
Total assets less current liabilities		<u>13,287</u>	<u>37,651</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss reserves		13,187	37,551
		<u>13,287</u>	<u>37,651</u>
Total equity		<u>13,287</u>	<u>37,651</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 11 May 2021 and are signed on its behalf by:



.....
Russell Jewell
Director

Company Registration No. 04963186

AEW Promote LP Limited

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019	100	6,149	6,249
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	31,402	31,402
Balance at 31 December 2019	100	37,551	37,561
Year ended 31 December 2020:			
Profit and total comprehensive loss for the year	-	(24,364)	(24,364)
Balance at 31 December 2020	100	13,187	13,287

AEW Promote LP Limited

Statement of Changes in Equity

For the year ended 31 December 2020

1 Accounting policies

Company information

AEW Promote LP Limited is a private company limited by shares incorporated in England and Wales. The registered office is 33 Jermyn Street, London, SW1Y 6DN.

The company did not have any employees during 2020 (2019: Nil).

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the balance sheet date the company had net assets of £13,287 (2019: £37,651). The parent entity, AEW Europe LLP, has provided the company with loans totalling £82,282 (2019: £180,291) to meet its capital commitment when called by AEW Europe Value Partners LP (the Fund). These loans are expected to be fully paid, including the interest charged, by distributions made from the Fund on disposals of assets.

The director has considered the consequence of COVID-19 and due to the nature of the company's operations the director has determined that it does not create a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern.

In addition, AEW Europe LLP, has provided written confirmation that it will support the company to enable it to continue its operations for at least twelve months from the date of approval of the financial statements. As a result, the director has prepared the financial statements on a going concern basis.

1.3 Turnover

Turnover represents income generated by the company's investment in the Fund and takes the form of capital gains, loan interest and other income. Income is recognised when distributed by the Fund.

1.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.4 Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

AEW Promote LP Limited

Statement of Changes in Equity

For the year ended 31 December 2020

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

2 Critical accounting estimates and judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumption concerning the future estimation uncertainly at the reporting date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is shown below.

Carrying value of Financial Assets at fair value through profit or loss

The company periodically revalues its investments based on its share of the underlying value of the net assets of the investments of the fund. The share of net assets is determined by reference to a valuation of the fund's assets prepared by the fund managers.

AEW Promote LP Limited

Notes to the Financial Statements

For the year ended 31 December 2020

3 Turnover

	2020 £	2019 £
Management fee rebate	6,310	-
Loan interest	3,593	-
Capital gains	29,813	-
	<u>39,716</u>	<u>-</u>

4 Operating profit

Auditor fees of £5,000 will be borne directly by AEW Europe LLP, a group company, and not charged to the Company (2019: £4,900).

5 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	<u>6,014</u>	<u>-</u>

6 Financial assets at fair value through profit or loss

The company is a limited partner of AEW EVP SLP LP, the carry and co-investment vehicle for AEW Europe Value Partners LP ('the Fund').

	2020 £	2019 £
Cost:		
As at 1 January	213,245	134,168
Distributions	(75,978)	-
Additions	14,748	43,809
Changes in fair value of financial assets at fair value through profit or loss	<u>(55,196)</u>	<u>35,268</u>
As at 31 December	<u>96,819</u>	<u>213,245</u>

7 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts due from group undertakings	<u>1,131</u>	<u>1,131</u>

AEW Promote LP Limited

Notes to the Financial Statements

For the year ended 31 December 2020

7 Debtors (continued)

A total of £471 (2019: £471) in other debtors is due from AEW EVP SLP LP in respect of bank charges and employee member's co-invest and carry capital contributions. AEW Europe LLP owes the company £560 in respect of employee members' co-invest and carry capital contributions paid in cash. The remaining £100 relates to unpaid share capital due equally from AEW Global Limited and AEW Global UK Limited.

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts due to group undertakings	82,282	180,291
Corporation tax due	6,014	-
	<u>88,296</u>	<u>180,291</u>

Amounts due to group undertakings includes a loan to the company for its equity investment in the Fund from AEW Europe LLP. The loan is unsecured and incurs interest at a rate of 2.25% per annum.

9 Share capital

	2020 £	2019 £
Called up share capital not paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

10 Controlling party

Groupe BPCE is the parent undertaking of the largest and smallest group of undertakings of which the company is a member and for which group financial statements are prepared. The group financial statements may be obtained from the Finance Director, AEW Promote LP Limited, 33 Jermyn Street, London, SW1Y 6DN.

11 Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The related parties to the company are AEW Europe LLP, acting as manager to AEW Europe Value Partners LP (the Fund), and AEW EVP SLP LP (the co-investment vehicle).